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CONFIDENTIAL

61-8046/10

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Mr. McGeorge Bundy
Special Assistant to the President
for National Security Affairs
The White House
Washington 25, D. C.

Dear Mr. Bundy:

We have given the highest priority to the design and construction of the
National Photographic Interpretation Center's proposed new quarters [REDACTED]

Final plans and specifications are contingent upon the completion of a highly complex systems engineering study. This study, as well as the construction plans and specifications, are in the hands of a specially qualified engineering firm and no effort is being spared to expedite completion of the project. The original schedule called for completion of construction and occupancy in August, 1963. However, as the President's Board has noted, the schedule has been improved to provide for completion in April, 1963. This was accomplished by planning construction in two phases, in order that basic construction could start in December, 1961, some three months prior to completion of the systems study.

On receipt of your memorandum of 11 October 1961, I directed that other avenues be explored which might lead to further savings in time. We find that by departing from the normal process of submitting completed plans for competitive bidding and entering into a negotiated cost-plus-fixed-fee contract on the basis of preliminary plans, a continuous work program can be started in December, 1961. Barring unforeseen difficulties, the Contract Architect-Engineer estimates that under this program the building can be completed some three to four months earlier than now scheduled. However, as you know, the negotiation of a cost-plus-fixed-fee contract is contrary to normal Federal practice and a project of this magnitude may well expose the Government to criticism from other contractors. There is also the undesirable aspect of not knowing in advance the ultimate cost of the project.

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Notwithstanding these objections, we are proceeding forthwith to develop preliminary plans in order to be in a position to enter into a negotiated contract. If, in the final analysis, this appears to be a feasible and desirable course of action.

This determination will be made in conjunction with the General Services Administration and the Bureau of the Budget at the earliest possible date.

Sincerely,

Allen W. Dulles
Chairman

ADD/S:HGL:fp(20 Oct 61)

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CONCUR: 25X1



H. Gates Lloyd
Assistant Deputy Director
(Support)

21 Oct 61
Date